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Viewing cable 09MEXICO2778, A LOOK AT MEXICO STATE, POTEMKIN VILLAGE STYLE

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Discussing cables

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Reference IDCreatedReleasedClassificationOrigin09MEXICO27782009-09-24 21:312011-08-30 01:44CONFIDENTIALEmbassy MexicoAppears in these articles:

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TAGS: PREL PGOV PINR MX
C O N F I D E N T I A L SECTION 01 OF 05 MEXICO 002778

SENSITIVE SIPDIS

E.O. 12958: DECL: 07/24/2019 TAGS: <u>PREL PGOV PINR MX</u>

SUBJECT: A LOOK AT MEXICO STATE, POTEMKIN VILLAGE STYLE

REF: MEXICO 002579

Classified By: Political Minister Counselor Gustavo Delgado. Reason: 1.4 (b),(d).

11. (C) Summary. Poloffs traveled to Toluca, the capital of Mexico State (Estado de Mexico - Edomex) and headquarters for popular Revolutionary Institutional Party (PRI) Governor Enrique Pena Nieto, on September 10-11 for what turned out to be two highly-orchestrated days of meetings with state officials, politicians, and a civil society representative hand-picked by Edomex officials to try to better understand the politics, economics, and leadership of the country's most populous state. While the visit offered a less-than-balanced perspective on presidential hopeful Pena Nieto's performance, it clearly revealed the extent to which his current efforts are geared to preparing for a future presidential bid, shed light on his recent outreach to the United States, and provided some insight into his style of governing. Pena Nieto's commitment to popular infrastructure projects is clear; his commitment to progressive reforms is not. influence over the majority of the local congress, municipalities, and a large representation in the federal Chamber of Deputies, Pena Nieto has an enormous opportunity to shape state and, to a lesser degree, federal politics over the next three years. End Summary.

Background

12. (C) Poloffs traveled to Mexico State on September 10-11 for a visit that was highly managed by Edomex officials from the governor's Office of International Affairs. The handlers accompanied Poloffs to each meeting, which included presentations by the Social Development, Education, Government Secretariats, the State Security Agency, the State Commission on Human Rights, the Autonomous University of Mexico State, a local PRI congressman, and a representative from a civil society organization working with indigenous communities in the state. At each meeting, representatives reminded Poloffs of the state's unique political, economic, and geographic features and challenges. Nearly engulfing Mexico City, the state counts the largest population in the country, its 15 million accounting for 13.7 percent of the national total in only 1.1 percent of the country's territory. The population is highly transient -- which officials blame for security and economic challenges -- since Edomex serves as a transit point for migrants en route to the United States and also as a destination point for those looking for work in one of the country's economic hubs. The state is responsible for a fair share of the Mexican economy, with its GDP representing almost 10 percent of the country's total last year.

Party and Personal Politics

13. (C) Elected governor in 2005, Pena Nieto is at a new high point in his 6 year term in office. The party and other political opinion makers had pitched the July 5 federal and local elections as a litmus test for his ability to produce favorable electoral results for the PRI and prove himself as $% \left(1\right) =\left(1\right) \left(1\right)$ more than just a pretty political face. He passed the test in spades. The PRI went from controlling 55 municipalities to 97 (of 125), from 19 to 40 local congressional slots (of 45), and from 7 to 38 federal deputies (of 40 directly elected from Mexico State, plus a number of plurinominal seats). Mexico State Undersecretary of Government Alejandro Nieto Enriquez openly admitted that Pena Nieto will have a much freer hand in implementing policies now that he has seen to the "decimation" of the National Action Party (PAN) and Revolutionary Democratic Party (PRD) in the corridors bordering Mexico City. He reported that the governor can also count on support from the Green Party (PVEM), Nueva Alianza (PANAL), the Social Democratic Party (PSD), and, to a certain extent, even Convergencia, in the local congress. the federal level, Pena Nieto controls the single largest bloc in the Chamber of Deputies, and the Undersecretary also said the governor personally wields significant influence in the Green Party (PVEM), the PRI's electoral and sometime congressional ally. He said that the leader of the PVEM's Chamber of Deputies bloc, Juan Jose Guerra Abud, was in fact

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the governor's former boss and that the two remain close. Indicative of his growing influence within the party at the national level, 14 PRI governors (19 of Mexico,s 31 governors are from the PRI) and over 200 federal deputies attended his yearly "State of the State" address in early September. While it is too early to say that the PRI is closing ranks around candidate Pena Nieto, it is clear that a majority of PRI elected officials see some benefit in associating more closely with him.

¶4. (C) A number of factors contributed to the PRI's electoral success in Mexico State, including the PRD's constant infighting and the PAN's unlucky affliction with a struggling economy. Nevertheless, Pena Nieto's popularity in Edomex — his approval ratings topped 70 percent in a recent, reliable poll — certainly provided the party with a much needed boost in a state that has long had a PRI governor but has had a far less reliable hold of the local congress and mayorships. The question, of course, is how much of the esteem for Pena Nieto is a result of his personal charm and careful crafting of his image and how much is due to serious work to improve and reform his state.

Security

- 15. (SBU) Mexico State's densely packed urban areas and impoverished districts make it fertile ground for crime of all sorts. The State Security Agency (ASE) -- Edomex's preventative police force -- said that 261,849 crimes were reported in 2008, ranking it 11th nationally but still below Mexico City in terms of per capita crime rates. Crime rates have risen about 17.5 percent since 2002, compared to a national average of 16.4 percent over the same period. In terms of organized crime violence, Embassy statistics indicate that Mexico State in 2009 had seen 231 narco-related homicides as of September 11, 360 in 2008, 11 in 2007, and 31 in 2006. Edomex so far this year has the sixth highest number of narco-related homicides nationally.
- 16. (SBU) Improvements in the state's security situation and reform of its justice apparatus appear high on the government's agenda. ASE, which includes 14,198 operational police officers, reported that it is in a period of transition. The agency is increasingly focused on collection and use of intelligence in its preventative policing role, as well as organizing units to focus on specific crimes, which

officials claimed has helped to reduce in particular crime linked to gangs and increase the capture of criminals by some 30 percent. Poloffs toured the state command center, which acts as a centralized C-4 (communication, coordination, and control). Analysts were actively exploiting databases containing a myriad of information, including fingerprint and biometric data, license plate numbers, and telephone numbers. ASE officials said that SEDENA, SSP, and paramedic/fire teams always have representatives at the command center, although Poloffs only saw paramedics present during their tour. While the federal Attorney General's Office (PGR) is not permanently represented, the command center does have a "red line" telephone for quick communication when necessary. As is generally true in the rest of Mexico, ASE indicated that coordination with the State Attorney General's Office is not always easy, but indicated that improving communication between the entities has been a "priority" for the governor. The command center also serves as an emergency call center, and Poloffs saw in action a new school alert program that sends special emergency signals when a disturbance in a school is detected.

17. (SBU) The ASE is focused on building its technological capabilities, and indicated it receives technological assistance for its criminal databases from Germany and Israel and other aid from Colombia, Spain, Chile, and France. ASE officials highlighted a new program spearheaded by Governor Pena Nieto to create a six-state, mid-Mexico regional database including vehicle and other personal information. Officials complained that Plataforma Mexico is often slow and difficult to use, so they try to first exploit state and regional databases before turning to the national system. Information fed into state-level systems, however, does automatically populate Plataforma Mexico, according to the officers.

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- 18. (SBU) ASE also maintains internal control mechanisms to help prevent and excise corruption. Officials noted that access to the command center's databases is highly restricted, and municipal-level elements can only receive information if they have passed through the internal control measures. The state reported it is actively engaged in setting up the internal control centers mandated by the National Public Security System law passed in the federal congress last year, but said that only 2 percent of its officers have actually passed through the exam. ASE officials pointed to a unit in the command center dedicated to monitoring employees' e-mail usage as another mechanism to try to control what leaves the building. The ASE claimed that a citizen participatory council on public security does exist at the state level, but it was not clear how autonomous and genuinely "citizen" it is since the governor appoints members.
- 19. (SBU) Officials from the State Attorney General's Office (PJE) also noted that they are in the process of transition which involves modernizing their operations and adapting to the federal-level reforms. They are building a new biometric database in place of Plataforma Mexico, which they say they have given up on using, and most PJE officials have been through the internal control vetting tests, such as polygraph and drug use exams, at least once. Officials complained that they do not have sufficient resources to deal with the new investigative and prosecutorial changes passed down to them as a result of the recently signed narcomenudeo law on small-time drug trafficking.

Human Rights

110. (SBU) The State Commission on Human Rights is housed in a new, spacious facility and is clearly receiving significant funding from the state government. Officials noted improvements in public access to the commission's services,

such as handicapped facilities and vans that travel to isolated rural areas or to regions suffering from some sort of emergency. Commission representatives also pointed to human rights ombudsmen in every municipality -- at least one in less populated areas to large operations in urban zones -as unique amongst government human rights systems in Mexico, the region, and, they claimed, the world. Officials said that a citizen participation council actively participates in human rights matters, and indeed, Poloffs saw a council meeting convoked to evaluate the ASE's implementation of vetting mechanisms. The Commission has also developed a career service for employees to offer them training, benefits, and prospects for advancement; other state representatives said such a service is still lacking in much of the government apparatus. The current Commissioner's term is coming to an end in October, and his replacement will be selected by the (now heavily PRI) local congress. (Note: Poloffs did not speak to outside observers or civil society representatives on Mexico State's human rights situation. End note.)

Economy and Development

111. (SBU) Despite swathes of rural areas, Mexico State's primary economic drivers are manufacturing and logistics, and state officials maintain that it has suffered less than Mexico has nationally from the global downturn. Claiming an almost unbelievable 6 percent growth rate last year, officials said Edomex is looking to become the country's logistics hub. Once completed, a new highway linking Michoacan (Pacific ports) to Veracruz (Gulf of Mexico ports) will cross the main thoroughfare leading to the United States in Mexico State, making it geographically strategic for transportation and manufacturing purposes. The state's International Relations office is keen to attract international business and noted that the state must do better in correcting rule of law deficiencies to assure companies that their rights will be respected. Foreign firms more often cite lack of confidence in legal security than Mexico's struggle with violence as their key concern about doing business in Mexico State, according to the International Affairs Office.

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112. (SBU) Edomex is highly focused on social development issues, and in fact Pena Nieto counts it as one of his three "pillars of government" (the other two being public security and economic security). The Social Development Secretariat noted that Mexico State has two major urban areas with a great deal of poverty (Toluca Valley and the metropolitan Mexico City area), as well as poorly developed, more indigenous rural areas. It classifies 1.9 million people as being unable to meet their nutritional requirements, 3.1 million as unable to access adequate education services, and 6.9 million as meeting those most basic needs, but still lacking in other fundamentals. Officials from the Secretariat claim that its budget will not be impacted by any contractions in the FY10 budgeting process due to the downturn, but rather that its funding is isolated and specially allocated to ensure that, by law, the development budget is not lower than the year prior, regardless of the broader economic situation. The emphasis in the coming year will be how to treat problems caused by the economic downturn, including a 5-6 percent rate of unemployment (which, like the national statistics, is probably underestimated). Officials highlighted the transparency of their programs, reporting that they had invited a notable academic from Berkeley who helped to author the "Oportunidades" program to study Mexico State programs, review them, and decide which had been effective and which had produced only marginal results.

Pena Nieto: The Same Old PRI or Making Real Changes?

- 113. (C) The PRI bills Pena Nieto as representing a younger, fresher, and more modern party adapted to the new political realities of a democratic Mexico; he is often referred to as the "next President of Mexico." Nevertheless, the governor hardly appears to be cut from a new cloth. When pressed to explain Pena Nieto's popularity in the state, government officials most often pointed to his "Compromisos," or "Pledges" program. During his campaign, Pena Nieto drew up a list of over 600 items -- which he primarily drew from citizen requests and mostly include small infrastructure projects like paving roads in rural communities -- he promised to accomplish while in office. He then signed the list in front of a notary. The state government claims he has already completed some 400 items and is on track to complete the rest by the end of his term. While indicating that the governor can efficiently accomplish projects -- or at least convince his constituents he can -- Poloffs found the Compromisos program to smack more of populism than of achieving lasting reforms in his state. Moreover, every $% \left(1\right) =\left(1\right) \left(1\right) \left($ government building, as well as almost every mile of highway, every hospital, and every street corner, feature signs promoting the governor's work in "complying with the compromiso." More difficult work on serious reforms has been slower in coming. Mexico State lags in competitiveness, ranking in the 2009 "Doing Business in Mexico" survey as only the 28th easiest place (of Mexico,s 31 states and Mexico City) to conduct business. Edomex has yet to approve legislation to enable the transformation of the judicial system -- putting Pena Nieto far behind some other PRI governors -- and only two percent of state security officials have been passed through the vetting tests. Pena Nieto's commitment to popular infrastructure projects is clear; his commitment to progressive reforms is not.
- 114. (C) The governor's hand-picked officials even have a difficult time explaining how he represents a more progressive PRI. The International Affairs officers railed against entrenched unions and monopolies, but in the next breath suggested that this "system" of political and economic interests would coalesce around Pena Nieto and bring him to the presidency. When asked how, then, the governor would be able to break the very forces that backed him, the officials offered vague murmurs that only from within the system can you change it the PRI created the system, and thus only the PRI can manage or break it. It is widely accepted, for example, that television monopoly Televisa backs the governor and provides him with an extraordinary amount of airtime and other kinds of coverage. Moreover, as the godson of ex-President Salinas and made from the entrenched Mexico State PRI political mold, Pena Nieto is not known for

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transparency when it comes to his friends and allies -- he helped shield former PRI Mexico State Governor Arturo Montiel Rojas from prosecution for corruption charges early on in his tenure. The Mexico State PRI has a reputation for taking advantage of gaps in transparency to build campaign war chests, and given the amount of money flowing through the state and Pena Nieto's status as a presidential front-runner, it seems unlikely that his administration would not look to exploit such opportunities.

115. (C) This is not to underestimate Pena Nieto's -- or his team's -- political acumen and ability to get things done in Mexico State. He clearly has expert advice on image management and public relations -- the constant "Compromisos" advertisements are testament to that. His government also has demonstrated itself to be responsive when it counts. The governor, as well as Secretary-level officials from virtually every ministry, traveled during Poloffs visit to an area of the state afflicted by heavy flooding, demonstrating a responsiveness that citizens crave of their elected leaders. Moreover, the state has made some progress in implementing key security measures, such as the introduction of an effective and efficient C-4 system. Ernesto Cardenas from

the respected NGO Insyde told Poloff that the state's C-4 system is quite well-developed, though indicated that the security apparatus in general lacks citizen participation.

Outreach to U.S.: 2012 in Sight

116. (C) The governor is clearly making policy with the 2012 presidential election in mind, and his recent outreach to the United States is no exception. It comes as little surprise that following his unexpectedly large success in the July midterm elections, a hurdle to his executive ambitions, he almost immediately sought increased cooperation with the USG on security and justice that would include exchanges of information, technologies, and investigative training and assistance (reftel). The governor is burnishing his international credentials. His International Affairs Office has grown from 8 to 35 individuals, who are on message and clearly understand what the USG likes to hear on investment, immigration, and security matters. Pena Nieto's international affairs coordinator told Poloffs that the governor has said, "China and India are opportunities. The United States is our reality." The coordinator also assured Poloffs that Pena Nieto would look to maintain close security cooperation with the USG should he become president, but made no mention of how the governor would look to solve the country's budgetary problems. State government officials pushed Poloffs hard for increased ties and assistance. With the governor keen to demonstrate he is ready for a job, we can only expect Edomex to court us with increasing intensity over the course of the next three, pre-campaign and campaign years.

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